



DEPARTMENT OF ADMINISTRATION

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Carson City, Nevada 89710
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May 9, 1996

Richard A. Guida
Associate Director for Regulatory Affairs
Naval Nuclear Propulsion Program
Department of the Navy
2531 Jefferson Davis Highway
Arlington, VA 22242-5160

Dear Mr. Guida:

I have just been informed by the Nevada Agency for Nuclear Projects that the Navy has released its Draft Environmental Impact Statement for a "Container System for the Management of Naval Spent Nuclear Fuel" for public review and comment. The purpose of this letter is threefold. First, my Office has not received copies of the draft EIS, although certain other State agencies were, apparently, on the original distribution list. As the official State of Nevada single point of contact, as per Presidential Executive Order 12372, the State Clearinghouse must receive copies of all federal environmental actions (i.e., Environmental Assessments, Environmental Impact Statements, etc.). The Clearinghouse is responsible for coordinating the State of Nevada's comments. Consequently, it is imperative that we receive review copies. I am requesting that you provide me with five (5) copies of the draft EIS by overnight as soon as possible.

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Second, the State of Nevada is formally requesting that the comment period specified in the draft EIS be extended from 45 days to at least 60 days, and preferably to 90 days, if possible. As you know, the actions contemplated by the Navy's draft document have implications well beyond the limited scope of storing and transporting Naval spent nuclear fuel. The decision that is ultimately arrived at by the Navy could well influence the direction of the entire civilian spent fuel storage and transportation program, since the choice of a canister system by the Navy will be precedent-setting for spent fuel management, be it civilian or military. The potential scope and impact of the draft EIS requires that adequate time be afforded to states like Nevada, which will be significantly affected both by the Navy's spent fuel program and by the Department of Energy's civilian radioactive waste management activities.

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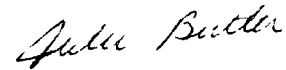
Nevada, like many of the western states affected by the actions contemplated in the draft EIS, is a small state with limited resources available for reviewing complex EIS documents. We are currently dealing with several major, interrelated Department of Energy EIS's, including the Stockpile Stewardship PEIS, the Plutonium Disposition PEIS, the Nevada Test Site Sitewide EIS, and the Pantex EIS. We are also initiating scoping for the Nellis Air Force Base Land Withdrawal EIS. Given the work load and the need to address the many interconnected issues associated with the Navy's draft EIS and the other decision documents, the 45 day comment period is too restrictive and will not afford Nevada sufficient time to adequately review the draft and provide comments.

- C** The third issue involves the number and locations of public hearings on the draft EIS. Given the importance of the draft EIS for Nevada and other western states, it is not appropriate to hold only three hearings in two states (Idaho and Utah). I am formally requesting that the Navy plan at least four additional hearings, two of which should be in Nevada: one in Reno, and one in Las Vegas. Other additional hearings should be held in western states potentially affected by Navy shipments of spent reactor fuel. These meetings should be scheduled in consultation with the Western Interstate Energy Board's Radioactive Waste Committee, which has been very active and effective in assisting western states in planning for safe and uneventful shipment of spent fuel and high-level waste.

After reviewing the draft EIS, we reserve the right to request a briefing by the Navy for State officials. This is a practice we have implemented with federal agencies over the years.

Thank you for your attention to these matters. Should you have questions or need additional information, please contact me at (702) 687-6367 or Mr. Joseph Strolin, Planning Division Administrator for the Nevada Agency for Nuclear Projects at (702) 687-3744.

Sincerely,



Julie Butler, Coordinator
Nevada State Clearinghouse/SPOC

JB/js

cc: Sherri W. Goodman, Deputy Under Secretary of Defense Environmental Security
Governor Bob Miller
Senator Harry Reid
Senator Richard Bryan
Representative Barbara Vucanovich
Representative John Ensign
Robert Loux, Director, Nevada Agency for Nuclear Projects



DEPARTMENT OF THE NAVY

NAVAL SEA SYSTEMS COMMAND
2531 JEFFERSON DAVIS HWY
ARLINGTON, VA 22242-5160

IN REPLY REFER TO

May 29, 1996

Ms. Julie Butler
Coordinator, Nevada State Clearinghouse
Department of Administration
Carson City, Nevada 89710

Dear Ms. Butler:

Thank you for your letter of May 9, 1996, received on May 15, 1996, concerning the Navy's Draft Environmental Impact Statement covering container systems for the storage, transport and management of naval spent nuclear fuel (Container System EIS). Your letter identified three issues for which you desired a response. Each issue is addressed below.

Your letter asked that five additional copies of the draft Container System EIS be provided to your office to facilitate State review. Those copies have been sent by overnight mail under separate cover.

Your letter requested that the time available for the State of Nevada to comment on the draft Container System EIS be increased from 45 days to 60 or 90 days. We agree to extend the comment period to 60 days, and will publish a notice in the Federal Register to that effect. We would note that in order to facilitate State review of this matter, the Navy provided six complete copies of the draft Container System EIS by letter from Admiral DeMars dated April 2, 1996, in advance of the public mailing which began in early May after bulk printing by the Government Printing Office. A copy of that letter is enclosed. Under these circumstances, and recognizing that the Navy needs to complete the EIS and move forward with selection of a container system to meet commitments made in a federal court-ordered settlement with the State of Idaho, we cannot extend the public comment period beyond 60 days.

Your letter requested that in addition to the six public hearings at three locations (Boise, Idaho Falls area, and Salt Lake City) in Idaho and Utah, additional hearings be held in Reno, Las Vegas, and two other undesignated western sites. We do not believe that additional hearings are needed. The locations selected covered those regions where naval spent fuel will be loaded, stored, and possibly transported, consistent with the proposed action covered in the Container System EIS. The EIS does not cover long-term interim storage or disposal of the spent fuel, which are the responsibility of the Department of Energy rather than the Navy. The EIS does analyze shipment to Yucca Mountain, but for analysis purposes only, recognizing that

location is the only one under the Nuclear Waste Policy Act being evaluated as a potential repository. The analysis does not presume, however, that Yucca Mountain will be found suitable as a repository.

Finally, your letter noted that the Navy's actions under this Container System EIS are particularly important because they may influence how commercial spent fuel is managed, stored and transported. In our view, naval spent fuel is very distinguishable from commercial spent fuel in several respects which ameliorate your concerns:

1. Amount: There are currently 12 metric tons (heavy metal) of naval spent fuel in existence, with a projection of 65 metric tons by the year 2035. By comparison, there are about 30,000 metric tons (heavy metal) of commercial spent fuel today, with projections of over 85,000 metric tons by the year 2035. Thus, naval spent fuel constitutes a very small percentage (less than 0.1%) of spent fuel inventories today and into the future.

2. Nature: Naval nuclear fuel is designed for combat conditions, making it different in design and function than commercial fuel. For example, naval fuel can withstand battle shock loads well in excess of 50 times the force of gravity without damage. Moreover, naval fuel fully retains fission products within the fuel itself, a necessary design requirement given the close proximity of the crew to the reactor aboard ship. Finally, naval fuel operates in excess of twenty years between refueling, requiring it to possess long term structural integrity.

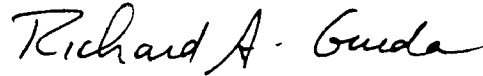
3. Fuel Cycle: All naval spent fuel is shipped to the Idaho National Engineering Laboratory (INEL) for examination after service, which is why INEL is the only origination point evaluated in the Container System EIS for shipments to an interim storage facility or repository. Naval spent fuel is not stored at multiple locations under different conditions as is commercial spent fuel.

For these and other reasons, we do not expect the storage, transportation, or management of naval spent fuel to set precedents relevant to commercial spent fuel.

As is recognized in your letter, Admiral DeMars' letter offered a briefing by the Navy to Nevada officials on these matters. That offer remains available at your convenience.

Thank you for your consideration of this matter. If you have any questions, please contact me or Will Knoll of my staff at 703-602-8229.

Sincerely,



Richard A. Guida
Associate Director
for Regulatory Affairs
Naval Nuclear Propulsion Program

Enclosure

Copy to:

Ms. Sherri Goodman, DUSD(ES)
The Honorable Bob Miller, Governor
The Honorable Harry Reid, Senator
The Honorable Richard Bryan, Senator
The Honorable Barbara Vucanovich, Representative
The Honorable John Ensign, Representative



DEPARTMENT OF THE NAVY
OFFICE OF THE CHIEF OF NAVAL OPERATIONS
WASHINGTON, DC 20350-2000

IN REPLY REFER TO
April 2, 1996

The Honorable Robert Miller
Governor, State of Nevada
State Capitol
Carson City, Nevada 89703

Dear Governor Miller:

The Navy is pleased to provide you with advanced copies of the draft Environmental Impact Statement (EIS) covering the selection of a system of containers for the dry storage of naval spent nuclear fuel at the Idaho National Engineering Laboratory, and its ultimate transport to a repository or interim storage facility outside Idaho. The draft EIS analyzes shipment to Yucca Mountain as a notional destination for analytical purposes only. It should be noted that shipments to any geologic repository, or to any centralized interim storage facility, would only occur if authorized by law and regulation, analyzed in subsequent National Environmental Policy Act (NEPA) documentation, and approved by the NRC in licensing such a facility. The Department of Energy has participated in the preparation of this EIS as a cooperating agency under NEPA. Six copies of the draft are enclosed to facilitate State review.

The draft EIS will be provided to the public in May 1996, and public hearings are tentatively scheduled to be held in June 1996 at three locations: Boise, Idaho Falls area, and Salt Lake City. The public comment period will extend for 45 days.

The Navy would be pleased to meet with your representatives to review the contents of the draft EIS and answer any questions to facilitate preparation of State comments on the document. Your staff may contact Richard Guida of the Naval Nuclear Propulsion Program at 703-602-8229 to arrange for such a meeting.

We appreciate your interest in this matter and are grateful for your consideration.

Sincerely,

A handwritten signature in dark ink, appearing to read "B. DeMars", is positioned above the typed name.

B. DeMars
Admiral, U.S. Navy
Director, Naval Nuclear Propulsion

Enclosures

Commenter: Julie Butler, Coordinator - Nevada State Clearinghouse/SPOC, Nevada

Response to Comment:

- A. Copies of the Draft EIS were sent by overnight mail.
- B. The Department of the Navy extended the comment period to 60 days and published a notice in the Federal Register to that effect.
- C. The Navy concluded that additional hearings were not needed; this was conveyed to the commenter by letter dated May 29, 1996. The letter explained that the locations selected covered those regions where naval spent nuclear fuel will be loaded and stored and representative regions where it might be transported, consistent with the proposed action covered in the Container System EIS. The EIS does not cover long-term interim storage or disposal of the spent nuclear fuel, which are the responsibility of the Department of Energy rather than the Navy. The EIS does use Yucca Mountain as a destination for purposes of analysis only, recognizing that location is the only one under the Nuclear Waste Policy Act being evaluated as a potential repository. The analysis does not presume, however, that Yucca Mountain will be found suitable as a repository or would be the site for a centralized interim storage facility.